

DEPARTMENT OF THE ARMY OFFICE OF THE ASSISTANT SECRETARY RESEARCH DEVELOPMENT AND ACQUISITION **103 ARMY PENTAGON WASHINGTON DC 20310-0103**

REPLY TO

20 MAR 1998

SARD-PP

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Authority for Severable Service Contracts that Cross Fiscal Years

Section 801 of the FY98 Defense Authorization Act authorizes contracts for procurement of severable services for a period that begins in one fiscal year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year. Funds made available for a fiscal year may be obligated for the total amount of an action entered into under this authority (see 37.106(b)).

The Defense Acquisition Regulations (DAR) Council has drafted language which amends FAR 32.703 and 37.106 to implement this change. Also revisions to DFARS 237.106 will require departments and agencies to submit reports not later than 15 days after the end of both fiscal years 1998 and 1999 concerning contracts awarded under this authority.

hereby grant a class deviation to FAR 32,703 and 37,106. authorizing contracting officers to enter into contracts for periods that cross fiscal years if (without regard to any option to extend the period of the contract) the contract period does not exceed one year. This class deviation is effective immediately, is assigned number 98-DEV-1, and is available for use until such time as the FAR and DFARS changes become effective.

Point of contact for this action is Mrs. Esther Morse, DSN 761-1040.

ward G. Elgart

Debuty Assistant Secretary of the

Army (Procurement)

CF: SAFM-FO (W. Riggins)

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- U.S. Army Medical Research and Materiel Command, ATTN: MCMR-AAZ-A, 820 Chandler Street, Fort Detrick, MD 21702-5014
- U.S. Army Military District of Washington, Fort Lesley J. McNair, ATTN: ANPC, 103 Third Avenue, Fort Lesley J. McNair, DC 20319-5058
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- National Guard Bureau, ATTN: NGB-AQ, Skyline Building Six, Suite 401A, 5109 Leesburg Pike, Falls Church, VA 22041-3201